

## **NORTHUMBRIA POLICE AND CRIME COMMISSIONER**

### **Key Decisions**

#### **Title and Reference**

**Revenue Monitoring Report 2013/14 – Quarter 1  
(PCC/54/2013)**

#### **Summary**

The forecast outturn for Total Police Expenditure for 2013/14 at 30 June 2013 is £287.108m compared with a revised budget of £287.934m, a projected underspend of £0.826m (0.3%).

#### **Recommendation/ Findings:**

The Commissioner is requested to approve the Revised Budget and the revised use of reserves and note the forecast outturn for 2013/14 and actual expenditure position as at 30 June 2013.

#### **Northumbria Police and Crime Commissioner**

I hereby approve the recommendation above.

**Signature**



**Date 25.07.13**

## Information and advice provided to the Police and Crime Commissioner for Northumbria

### Revenue Monitoring Report 2013/14 – Quarter 1

#### 1. Purpose of the Report

- 1.1 To inform the Police and Crime Commissioner (the Commissioner) of the latest position with regard to the 2013/14 revenue budget and the actual level of expenditure as at 30 June 2013.

#### 2. Original Budget

- 2.1 The Original Budget for the financial year 2013/14 approved in February 2013 provided for Total Police Expenditure before use of reserves of £287.381m and appropriations from reserves of £9.274m, resulting in a Budget Requirement of £278.107m. The element of the budget under the Chief Constable's direction and control was £276.189m and £11.192m under the direction of the Commissioner. Appendix A details the budget for the financial year 2013/14.

#### 3. Chief Constable's Budget Position

- 3.1 The budget has been revised to £276.742m, an increase of £0.553m to reflect the use of the External Funding Reserve for expenditure on schemes for which the funding was received in 2012/13. It also includes minor amendments between subjective categories relating to internal virements, which have no effect on the overall total police budget.
- 3.2 The forecast outturn for Net Chief Constable Expenditure for 2013/14 at 30 June 2013 before the use of reserves is £276.728m compared with the revised budget of £276.742m, a projected underspend of £0.014m (less than 0.1%). Details are provided in Appendix A column (5). The main reasons for the variances are provided below:-

- **Employees - Pay**

The officer and staff pay is forecasting a net over spend of £0.13m, reflecting the latest workforce profiles which include forecast leavers and recruitment. Officer overtime is forecasting an over spend of £0.53m, however this relates to external funding schemes which are fully offset by additional income and by utilising the external funding reserve.

- **Employees - Pensions**

The main over spend in respect of Pensions relates to Ill Health Commutations which is forecasting a £0.3m over spend. This relates to a greater number of ill health retirements compared with that originally estimated.

- **Non Pay**

There are several variances within the Non Pay budgets including emerging budget pressures in repairs and maintenance of vehicles and forecast underspends in some areas of expenditure including forensic science.

- **Income**

The income forecasts reflect additional income of £0.53m compared to the original estimate. £0.2m relates to additional income which is offsetting additional expenditure, with £0.33m relating to a further rates rebate for the Ponteland site, following a review of the rateable values within the Commissioner's estate.

#### 4. Police & Crime Commissioner's Budget Position

4.1 The Revised Budget reflects reductions the Commissioner has made to her budget since the Original Budget was set in February, mainly in relation to support services provided by Gateshead Council.

4.2 The forecast outturn for Net Commissioner Expenditure for 2013/14 at 30 June 2013 is £10.380m compared with the estimate of £11.192m, a projected underspend of £0.812m (7.3%). Details are provided in Appendix A column (5). The main reasons for the variances are: an underspend on capital financing charges of £0.217m due to slippage on the capital programme in 2011/12 and the average rate of borrowing being less than assumed in the budget; and, an underspend in the Commissioner's office costs of £0.595m, following a realignment of her budgets and reductions in external support services.

#### 5. Reserves

5.1 The Original Budget proposed £9.274m use of reserves, which has been revised to £9.827m to include the use of the External Funding Reserve. The forecast outturn estimates a reduction in the use of reserves of £0.826m as a result of the underspend identified above. Details are set out in the table below:

	<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Forecast Outturn</b>	<b>Variance (Revised Estimate)</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
General Reserve	3,550	3,550	2,691	(859)
Capital Development Reserve	5,724	5,724	5,724	0
Workforce Management Reserve	0	0	33	33
External Funding Reserve	0	553	553	0
<b>Total</b>	<b>9,274</b>	<b>9,827</b>	<b>9,001</b>	<b>(826)</b>

5.2 The Workforce Management Reserve is being used to fund redundancy payments and the External Funding Reserve, created from unutilised income in 2012/13, is being used to fund expenditure on schemes for which the funding was received.

#### 6. Actual Expenditure

6.1 Total Actual Expenditure at 30 June 2013 is £86.098m. Details of actual expenditure are provided in Appendix A column (3).

**7. Conclusion**

7.1 The 2013/14 forecast revenue outturn is £0.273m less than the revised budget for the year, resulting in a reduction in the use of reserves.

**8. Financial Implications**

8.1 Financial implications are considered throughout this report.

**9. Legal Implications**

9.1 There are no direct legal implications arising from the contents of this report.

**10. Equal Opportunities Implications**

10.1 There are no equal opportunities implications arising from the contents of this report.

**11. Risk Management Implications**

11.1 Associated risks have been considered and recorded as appropriate.

**12. Background and Supporting Papers**

Appendix B – Revenue Monitoring 2013/14 Quarter 1  
Council Tax Precept and Revenue and Capital Budgets 2013/14 (PCC/12/2013)

## POLICE &amp; CRIME COMMISSIONER FOR NORTHUMBRIA

## REVENUE MONITORING 2013/14 QUARTER 1 (APRIL - JUNE)

	ORIGINAL BUDGET 2013/14 £000s (1)	REVISED BUDGET 2013/14 £000s (2)	ACTUAL PAYMENTS 2013/14 £000s (3)	FORECAST OUTTURN 2013/14 £000s (4)	FORECAST VARIANCE 2013/14 £000s (5)
<b>CHIEF CONSTABLE</b>					
<b>Expenditure</b>					
Employees - Pay	205,183	205,505	62,574	205,832	327
Employees - Pensions	44,029	44,029	13,481	44,367	338
Non-Pay	36,995	37,226	11,772	37,077	(149)
<b>Total Expenditure</b>	<b>286,207</b>	<b>286,760</b>	<b>87,827</b>	<b>287,276</b>	<b>516</b>
Income	(10,018)	(10,018)	(2,594)	(10,548)	(530)
<b>Net Chief Constable Expenditure</b>	<b>276,189</b>	<b>276,742</b>	<b>85,233</b>	<b>276,728</b>	<b>(14)</b>
<b>POLICE &amp; CRIME COMMISSIONER</b>					
Office of the Police & Crime Commissioner	2,266	1,586	162	1,586	0
Community Safety	(189)	(189)	0	(189)	0
Other Expenditure in support of the Force	9,115	9,200	703	8,983	(217)
Contingency / in-year underspend	0	595	0	0	(595)
<b>Net Police &amp; Crime Commissioner Expenditure</b>	<b>11,192</b>	<b>11,192</b>	<b>865</b>	<b>10,380</b>	<b>(812)</b>
<b>Total Police Expenditure</b>	<b>287,381</b>	<b>287,934</b>	<b>86,098</b>	<b>287,108</b>	<b>(826)</b>
<b>Contributions from reserves:</b>					
General Reserve	(3,550)	(3,550)	0	(2,691)	859
Capital Financing Reserve	(5,724)	(5,724)	0	(5,724)	0
Workforce Management Reserve	0	0	0	(33)	(33)
External Funding Reserve	0	(553)	0	(553)	0
<b>Total contributions from reserves</b>	<b>(9,274)</b>	<b>(9,827)</b>	<b>0</b>	<b>(9,001)</b>	<b>826</b>
<b>Budget Requirement</b>	<b>278,107</b>	<b>278,107</b>	<b>86,098</b>	<b>278,107</b>	<b>0</b>